

1 XAVIER BECERRA
Attorney General of California
2 TANIA IBANEZ
Senior Assistant Attorney General
3 ELIZABETH S. KIM
Supervising Deputy Attorney General
4 JULIANNE MOSSLER
Deputy Attorney General
5 State Bar No. 243749
455 Golden Gate Avenue, Suite 11000
6 San Francisco, CA 94102-7004
Telephone: (415) 510-3494
7 Fax: (415) 703-5843
E-mail: Julianne.Mossler@doj.ca.gov
8 *Attorneys for the Attorney General's Registry of*
Charitable Trusts
9

10 **BEFORE THE**
11 **ATTORNEY GENERAL OF CALIFORNIA**
12

13 **IN THE MATTER OF THE ORDER TO CEASE**
14 **AND DESIST AND NOTICE OF INTENT TO**
15 **REVOKE REGISTRATION AGAINST:**

16 **THE KEY WORLDWIDE FOUNDATION,**

17 Respondent.

Case No. 2019-CT0193352

**ORDER TO CEASE AND DESIST
OPERATIONS, NOTICE OF INTENT TO
REVOKE REGISTRATION, AND
DEMAND TO PRODUCE DOCUMENTS**

18 THE KEY WORLDWIDE FOUNDATION is ordered to immediately CEASE AND
19 DESIST from all California operations, including all solicitations for charitable purposes by any
20 means, under Government Code Section 12591.1, subdivision (b). This order applies to THE
21 KEY WORLDWIDE FOUNDATION, RICK SINGER, DAWUD RAAMUH, JOHN PETER
22 BYRNE, JR., and STEVE MASERA, its officers, directors, employees, fundraisers, and all
23 persons or entities acting on its behalf.

24 Based on the following findings and violations, this Cease and Desist Order will become
25 final and the registration of THE KEY WORLDWIDE FOUNDATION, will be revoked unless
26 the enclosed written appeal is received within 30 calendar days of the date of this Notice.

27 **FINDINGS**

28 1. THE KEY WORLDWIDE FOUNDATION was incorporated as a California

1 nonprofit public benefit corporation on or December 14, 2012, and was issued corporation
2 number C3523693. Under its Articles of Incorporation, THE KEY WORLDWIDE
3 FOUNDATION is organized and operated exclusively for charitable purposes, and is not
4 organized for the private gain of any person. The Articles further provide that no part of the net
5 income or assets of this corporation shall ever inure to the benefit of any director, officer, member
6 or any private person. On the dissolution or winding up of the corporation, its assets shall be
7 distributed to another charity.

8 2. The KEY WORLDWIDE FOUNDATION's public filings indicate that its
9 mission or most significant activity is to "provide education that would normally be unattainable
10 to underprivileged students, not only attainable but realistic."

11 3. In March 2013 THE KEY WORLDWIDE FOUNDATION applied for
12 registration with the Registry of Charitable Trusts and was issued registration number
13 CT0193352. THE KEY WORLDWIDE FOUNDATION's address of record is 265 Hartnell
14 Place, Sacramento, California 95825-6611.

15 4. Rick Singer is the President and CEO, and the Agent for Service of Process for
16 THE KEY WORLDWIDE FOUNDATION. He is an Officer and Director, and one of the people
17 responsible for its day-to-day operations.

18 5. Steve Masera is the Treasurer, and the initial Agent for Service of Process for
19 THE KEY WORLDWIDE FOUNDATION. He is an Officer of THE KEY WORLDWIDE
20 FOUNDATION, and one of the people responsible for its day-to-day operations.

21 6. Dawud Raamuh is the Secretary for THE KEY WORLDWIDE
22 FOUNDATION. He is an Officer and Director, and one of the people responsible for its day-to-
23 day operations.

24 7. John Peter Byrne, Jr., is a Director for THE KEY WORLDWIDE
25 FOUNDATION, and one of the people responsible for its day-to-day operations.

26 8. The Attorney General is responsible for overseeing persons and entities holding
27 or soliciting charitable assets in California and enforcing the provisions of the Supervision of
28 Trustees and Fundraisers for Charitable Purposes Act. (Gov. Code, §§ 12580, et seq.)

1 9. Charitable corporations are required file with the Attorney General's Registry
2 of Charitable Trusts (Registry) periodic written reports, under oath, setting forth information as to
3 the nature and administration of the assets held for charitable purposes. These reports include the
4 Annual Registration Renewal Fee Report (Form RRF-1) and the applicable version of the Internal
5 Revenue Service IRS Form 990 (IRS Form 990). (Cal. Code Regs., tit. 11, §§ 301, 306.) These
6 reports are available for public inspection through a database posted on the Attorney General's
7 website. (Cal. Code Regs., tit. 11, § 310.)

8 10. The reports must be filed annually within four months and fifteen days
9 following the close of each fiscal year. (Cal. Code Regs., tit. 11, §§ 303-305.)

10 11. The omission of material information in a document required by law to be filed
11 with a government agency constitutes a false or misleading statement under California Code of
12 Regulations, title 11, section 999.9, subdivision (c).

13 12. THE KEY WORLDWIDE FOUNDATION reports on a calendar year basis,
14 making December 31 the end of its fiscal year. As a result, it is required to file its IRS Form 990
15 and Form RRF-1 with the Registry, and pay its fee, no later than May 15 of the following year.

16 13. THE KEY WORLDWIDE FOUNDATION was required to file its 2017 IRS
17 Form 990 and 2017 Form RRF-1 no later than May 15, 2018. As of the date of this Order, THE
18 KEY WORLDWIDE FOUNDATION has not filed its 2017 IRS Form 990 or 2017 Form RRF-1
19 with the Registry.

20 14. THE KEY WORLDWIDE FOUNDATION is currently delinquent in its
21 registration status due to its failure to comply with the registration and reporting requirements. A
22 registration that is delinquent is not in good standing and is prohibited from engaging in conduct
23 for which registration is required including, but not limited to solicitation for charitable purposes.
24 (Cal. Code Regs., tit. 11, § 999.9.4.)

25 15. On March 13, 2019, the United States Attorney's Office arrested Rick Singer
26 and Steve Masera, and charged them with, among other things, using THE KEY WORLDWIDE
27 FOUNDATION to engage in racketeering, tax evasion, and money laundering. According to the
28 charging allegations, THE KEY WORLDWIDE FOUNDATION was a sham organization with

1 no charitable purpose.

2 16. Rick Singer pled guilty to violations of United States Code sections on
3 conspiracy to commit racketeering, conspiracy to commit money laundering, obstruction of
4 justice, and conspiracy to defraud the United States.

5 17. The Attorney General may revoke or suspend the registration of a charitable
6 corporation for violations of the Supervision Act. (Gov. Code, § 12598, subd. (e)(1); Cal. Code
7 Regs., tit. 11, § 999.6.)

8 **GROUND FOR ISSUANCE OF THE CEASE AND DESIST ORDER**

9 1. Grounds for the issuance of a cease and desist order exist under California
10 Government Code section 12591.1, subdivision (b)(4) and California Code of Regulations, title
11 11, section 314, subdivision (a)(4), because THE KEY WORLDWIDE FOUNDATION operated
12 in violation of, or failed to comply with, the requirements of the Supervision of Trustees and
13 Fundraisers for Charitable Purposes Act and its regulations, in violation of Government Code
14 section 12599.6, subdivision (f)(1), for the reasons stated above.

15 2. Grounds for the issuance of a cease and desist order exist under California
16 Government Code section 12591.1, subdivision (b)(4) and California Code of Regulations, title
17 11, section 314, subdivision (a)(3), because THE KEY WORLDWIDE FOUNDATION failed to
18 file a financial report as stated above.

19 3. Grounds for the issuance of a cease and desist order exist under California
20 Government Code section 12591.1, subdivision (b)(4) and California Code of Regulations, title
21 11, section 314, subdivision (a)(5), because THE KEY WORLDWIDE FOUNDATION operated
22 while its registration was in a delinquent status as stated above.

23 4. Grounds for the issuance of a cease and desist order exist under California Code
24 of Regulations, title 11, section 999.9, subdivision (c) for material misrepresentations in the
25 public filings made on behalf of THE KEY WORLDWIDE FOUNDATION.

26 5. This Order is based on information currently available to the Attorney General.
27 Nothing in this Order limits the Attorney General's ability to take any other action authorized by
28 law, including amending this order after receiving the documents and information required to be

1 produced by this Order.

2 **ORDER**

3 1. THE KEY WORLDWIDE FOUNDATION shall immediately CEASE AND
4 DESIST from all operations in California, including all solicitations for charitable purposes by
5 any means. This order applies to THE KEY WORLDWIDE FOUNDATION, its officers,
6 directors, employees and all persons or entities acting on its behalf, including commercial
7 fundraisers for charitable purposes soliciting on its behalf.

8 2. THE KEY WORLDWIDE FOUNDATION shall not distribute or expend any
9 charitable asset without the prior written approval of the Attorney General. Members of the
10 board of directors as well as any person directly involved in a violation of this provision may be
11 held personally liable for any charitable asset distributed or expended in violation of this Order.

12 3. THE KEY WORLDWIDE FOUNDATION shall provide the following
13 documents and information within 30 days of the effective date of this Order to:

14 Julianne Mossler, Deputy Attorney General
15 455 Golden Gate Avenue, Suite 11000
16 San Francisco, CA 94102-7004
Telephone: (415) 510-3494
Julianne.Mossler@doj.ca.gov

- 17 a. IRS Form 1023 and related correspondence;
18 b. An accounting of all assets received or held by, or disbursed from THE KEY
19 WORLDWIDE FOUNDATION's inception through the date of the response;
20 c. All minutes of any proceeding of the board of directors, members or committees;
21 d. Financial statements (audited or unaudited);
22 e. General Ledgers;
23 f. Cash Receipts and Disbursement Journal;
24 g. All documents related to all notes and loans payable and receivable;
25 h. Bank statements for all bank accounts;
26 i. Canceled checks for all bank accounts;
27 j. Correspondence related to donations received from the public;
28 k. Names, addresses, and telephone numbers of all past and current members of the

- 1 board of directors and officers;
- 2 1. Records of all grant applications received and grants made;
- 3 m. Reports or accountings made to or received from any other state agency, grantor or
- 4 grantee, and fundraisers;
- 5 n. Written information regarding the policies or criteria used in selecting the grant
- 6 recipients;
- 7 o. Names, addresses, and telephone numbers of persons and organizations who have
- 8 received grants;
- 9 p. Policies and procedures related to fiscal controls;
- 10 q. Policies and procedures related to governance;
- 11 r. All contracts, agreements, correspondence, and written materials of any kind
- 12 related to THE KEY WORLDWIDE FOUNDATION's relationship with The
- 13 Edge College and Career Network, LLC;
- 14 s. All contracts, agreements, correspondence, and written materials of any kind
- 15 between THE KEY WORLDWIDE FOUNDATION, including any of its Officers,
- 16 Directors, or any person or entity acting on its behalf, and any third-parties,
- 17 including but not limited to Gordon Ernst, Bluesky Partnership, and Food with
- 18 Purpose;
- 19 t. Rick Singer, Dawud Raamuh, John Peter Byrne, Jr., and Steve Masera each to
- 20 provide a list of any other charity or fundraiser for which they have acted as an
- 21 officer, director or trustee; and
- 22 u. Directors and Officers Insurance policy.

23 4. Registration number CT0193352 issued to THE KEY WORLDWIDE

24 FOUNDATION is revoked.

25 5. The Attorney General shall retain jurisdiction over THE KEY WORLDWIDE

26 FOUNDATION, its officers, directors and key employees to ensure compliance with this order


27 and the provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act.

28 6. Failure to comply with the terms of this order constitutes disobedience or

1 resistance to a lawful order pursuant to Government Code section 11455.10. The Attorney
2 General may pursue a contempt sanction of violations pursuant to Government Code section
3 11455.20, in addition to any other remedies available to the Attorney General.

4 IT IS SO ORDERED.

5 Dated: March 13, 2019


David Eller
Registrar of Charitable Trusts
Office of The Attorney General

8 **THIS ORDER TAKES EFFECT IMMEDIATELY**

9
10 **YOUR RIGHT TO APPEAL**

11 You may request a hearing to review this Order by completing and returning the enclosed
12 "Appeal and Request for Hearing" form within 30 days of the date of this Order. Pursuant to
13 Government Code section 12591.1, subdivision (e) and California Code of Regulations, title 11,
14 section 999.6, subdivision (c), the appeal must be in writing and must contain the name and entity
15 affiliation (if any), address and phone number of the person appealing, the registration number (if
16 any), and a statement of the basis of appeal. A timely hearing request does not stay this order and
17 it will remain in effect until the hearing is resolved. If you do not submit a completed hearing
18 request form within 30 days this order you will have waived your right to challenge this order and
19 it will remain in effect until withdrawn by the Attorney General.

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APPEAL AND REQUEST FOR HEARING

_____(name),
_____(title/affiliation to registrant) of
_____(organization),
requests a hearing of the Attorney General's Notice of Intent to Revoke Registration pursuant to Government Code
section 12591.1 and California Code of Regulations, title 11, section 999.6.

Appellant's address (required):

